

CHAPTER 6: SECTION 1

AGENCY ACCOUNTING GUIDELINES FOR REISSUING EXPIRED COFRS WARRANTS

Introduction:

These agency accounting guidelines are developed by the State Controller's Office (SCO) to assist agencies in performing their accounting responsibilities. This chapter is intended to be sufficiently detailed that if an agency adopts them as procedures, the SCO will consider the agency to be complying with legal and regulatory requirements and exercising adequate internal control.

Administrative and operational accounting environments are different in every agency. An agency may need to change these guidelines to meet individual needs. An agency controller may substitute alternate procedures for those described in this chapter or may add or eliminate procedural steps.

The agency controller is expected to use professional judgment to ensure that adequate internal accounting processing controls are used and that compliance with state statutes and fiscal procedures is maintained. The agency controller is also expected to document:

1. The changes to the guidelines made by the agency; and
2. The reason(s) changes were made; and
3. An analysis of the impact of the changes on the agency's ability to maintain adequate internal accounting controls and continue to meet the requirements of relevant state statutes and fiscal procedures

This documentation should be maintained and readily available for audit purposes.

If you have questions or need additional information about reissuing expired warrants, contact Katrina Baker (303-866-2126 or katrina.baker@state.co.us).

Purpose:

This document provides agencies with guidance needed to reissue an expired COFRS warrant and requesting reimbursement of the reissued funds from the Unclaimed Property Administrator.

Definitions:

Expired Warrant - A stale dated, outstanding warrant that has been purged from the COFRS warrant reconciliation header table (WREH). Twice a year, outstanding warrants that are over a year old are expired and the funds are remitted to the Unclaimed Property Administrator.

Expired Warrant Log - A listing of expired warrants. The official title is Warrants Expiration Detail Report. The COFRS report ID is EAP16R. This report was the permanent record of the expired warrants until June 1997 when the EXPW table was developed.

EXPW Table - The Expired Warrants Table in COFRS that replaced the EAP16R report, beginning with the warrants expired in June 1997. COFRS documentation and instructions on the use of this table are available by contacting Production Support Services (COFRS helpline) at 303-239-4357, Opt. 2.

Third Party - Anyone other than the original payee requesting a reissue of an expired warrant.

Power of Attorney - A legal document giving authority to a third party to act on behalf of the original payee (or successor) in collecting funds for an expired warrant. The Power of Attorney must be signed and notarized.

Estate of Payee - Possessions of a deceased payee.

Successor(s) - The person (or persons) entitled to receive money or property from an estate.

Affidavit for Collection of Personal Property Pursuant to Small Estate Proceeding - A legal form (available on the State Controller's web site) used by the successor(s) to claim all or part of an estate worth \$27,000 or less.

Personal Representative - An individual recognized by a court to either implement the will of a deceased person or administer the estate of a deceased person who died without a will.

Letters Testamentary - A document appointing a personal representative to implement the will of a deceased person. (Form is available on State Controller's web site.)

Letters of Administration - A document appointing a personal representative to administer the estate of a deceased person who died without a will.

Taxpayer Identification Number - The federally assigned number used to identify a legal entity for tax purpose. For an individual, the TIN is the Social Security Number. An estate is assigned an Employer Identification Number (EIN) separate from the deceased individual's Social Security Number.

Unclaimed Property "Holder Reimbursement Form" - The form that agencies must complete and return to the Unclaimed Property administrator (with a copy of the approved payment voucher) to request a refund of agency funds that were remitted to Unclaimed Property when the reissued warrant expired.

Administrative/Fiscal Requirements:

Agencies are responsible for meeting the following requirements.

- ♦ The final Expired Warrant Log (report EAP16R) must be maintained as a permanent record for all warrants expired prior to June 28, 1997. The COFRS EXPW table is the permanent record for all warrants expired June 28, 1997 and later.
- ♦ When a warrant is reissued, a notation must be made on the final Expired Warrant Log (EAP16R) or the COFRS EXPW table to record the reissued warrant number, payment voucher number and date of the reissue.
- ♦ A warrant that is not on the final Expired Warrant Log (EAP16R) or recorded as expired on the COFRS EXPW table is not an "expired warrant" and may not be reissued using this procedure.
- ♦ A reissued expired warrant must be for the exact amount of the original warrant, from the original fund and agency.
- ♦ An expired warrant must be reissued to the same payee as the original warrant except in the following cases:
 - When the payee's name has changed. A copy of a marriage license, social security card or court document must be submitted to verify the name change.
 - Deceased payee. A copy of the death certificate must be submitted to establish the death of the payee. An Affidavit for Collection of Personal Property Pursuant to Small Estate Proceedings, letters testamentary or letters of administration must be submitted to establish the identity of the successor or personal representative.

Procedures:

An expired warrant may be reissued at the request of the original payee, a third party appointed by the payee, the successor or personal representative of a deceased payee, or a third party appointed by the successor or personal representative of a deceased payee. Treasury should be contacted before any reissue of an expired warrant to verify that Unclaimed Property did not previously pay the claim.

Step 1 of the following procedures addresses each type of request in turn.

Procedural Steps:

STEP 1A. Receive a reissue request from an original payee. Require one of the following items as validation to request a reissue of the warrant in the original name.

- ♦ The original expired warrant with a request from the payee requesting its reissue.
- ♦ A letter requesting reissue signed by the payee and containing the original warrant number, payee name and correct amount. An Affidavit of Lost Warrant is acceptable.

IN ADDITION to one of the above items, require proof of a name change to validate a request from the original payee to reissue the warrant to a new name. A marriage license, Social Security card or court document is acceptable.

STEP 1B. Receive a reissue request from a third party acting on behalf of an original payee. Either the original expired warrant must be returned with the request or the warrant number, warrant date, original payee name and amount must identify the warrant. Require both of the following items to validate the request.

- ♦ A Power of Attorney signed by the original payee, authorizing the third party to act on his or her behalf. The Power of Attorney must be original, unaltered and notarized and must contain the taxpayer identification number (TIN) of the payee.
- ♦ A photocopy of the original payee's social security card, driver's license, passport or other official document that can be used to verify the signature on the Power of Attorney.

STEP 1C. Receive a reissue request from the successor or personal representative of a deceased payee. Either the original expired warrant must be returned with the request or the warrant number, warrant date, original payee name and amount must identify the warrant. Require one of the following items to validate the request.

- ♦ A photocopy of the original payee's death certificate;
- ♦ An Affidavit for Collection of Personal Property Pursuant to Small Estate Proceedings, letters testamentary or letters of administration;
- ♦ A Power of Attorney signed by the successor or personal representative, authorizing the third party to act on his or her behalf and a photocopy of the successor or personal representative's Social Security card, driver's license, passport or other official document that can be used to verify the signature on the Power of Attorney. The Power of Attorney must be original, unaltered and notarized and must contain the taxpayer identification number (TIN) of the successor or personal representative.

STEP 2. Confirm that the warrant is expired by reviewing the final Expired Warrant Log (EAP16R) and/or scanning the EXPW table in COFRS.

- STEP 3A. Verify that the original payee name on the request is the same as the payee on the final Expired Warrant Log or the EXPW table. Payee names on the Expired Warrant Log or EXPW table may not be complete. If the original payee cannot be confirmed from the log, use the warrant number and amount to locate the original payee name on the original warrant register and use this name to confirm the original payee name on the request.
- STEP 3B. Review agency payment records to verify that a subsequent payment was not made for the same goods and services. Examining your agency's payment records for another payment of the same amount to the same vendor provides a final precaution against the possibility that a warrant expired because it was in fact a duplicate payment. If not, enter a PV transaction in COFRS to reissue the warrant using the original fund and agency, debiting balance sheet 2751.
- STEP 4. Request reimbursement of the expired warrant funds from the Unclaimed Property administrator for the amount of the warrant, less any federal funded portion recorded on the EXPW table. Use the State of Colorado – Treasurer's Office, Holder's Request for Reimbursement Standardized Holder Claim Form available on the State Controller's web site. A current online version of the form that can be filled out on your computer prior to printing is available online by using the following link:
- http://www.treasurer.state.co.us/payback/reporting/holderreimburse_CO.pdf
- Complete the form, notarize it, and return it to the Unclaimed Property Administrator with a screen print of the approved payment voucher that was entered into COFRS for the expired warrant reissue.
- Once the Unclaimed Property administrator approves the agency reimbursement, Treasury will process a journal to restore the funds expended from the agency, crediting Balance Sheet 2751.
- STEP 5. When the new warrant is printed and returned, highlight the original warrant number, payee name, and amount on the Expired Warrant Log. Write the reissue warrant number, PV number, and date of the reissue on the log. For the EXPW table, complete the fields for Reissue Warrant number, date, bank code, amount, vendor code and vendor name.
- Keeping an accurate record is important to prevent reissuing a warrant more than once.